

NEW AND ENHANCED REVENUE GENERATION PROGRAM

(STRATEGIC GOAL 1: Develop Excellent Management Systems)

Problem Statement

State financial support to operate Parks has declined steadily over the past several decades. Additionally the overall Department's funding has not kept pace with inflation, and the California General Fund has precipitously declined in its funding to the Department over the past ten years. Even if the General Fund support were to increase to, or even above, previous levels, the general fund is unlikely to ever be a sufficient funding source to cover the full operational needs of the Department. Therefore, supplemental revenue sources must be created.

The role of revenue generation is not clearly defined within the department, as such, there are "internal cultural" barriers to revenue generation. Some districts embrace revenue generation while others believe that revenue is not what DPR is about - that the Department's mission is compromised when the word revenue is a part of the equation.

Revenue program excellence is not embraced by any district because if a district is profitable, why excel when the "profits" go elsewhere? Conversely, if a district cannot produce sufficient revenue in order to operate at a break-even point, then, why try? Both ends of this spectrum limit excellence in the ability to generate or enhance revenue programs, thus the Department's financial stability is compromised.

Initiative Description

This initiative will analyze past, current, and future potential revenue generation ideas, programs, and opportunities both inside the department as well as those used in other land management agencies that may be applicable. Once a programmatic suite is compiled for revenue generation, the committee will work to identify the practicality and feasibility of implementation considering influences such as Service-Based Budgeting, operational reorganizations, the enhancement of partnerships, modernization efforts, and other factors. Additionally, the committee will need to determine how fees for services and programs should be determined. Successful implementation of revenue generation programs must consider the following:

- A. Funding
- B. Park infrastructure and staff levels
- C. Utilization of partners & concessions
- D. A rigorous assessment of park services offered and desired

- E. A thorough market analysis for California State Parks
- F. Integration of mainstream technology
- G. A marketing plan
- H. Types of revenue programs that complement Park's mission
- I. Create an ideal revenue sharing and incentive program for which funding for the Department will strengthen and will also spark creativity, innovation, and pride in all DPR revenue programs.

Anticipated Benefits of this Initiative

- 1. Excellence in the application of revenue generation programs throughout Parks will help **maximize department funding potential**,
- 2. Desirable revenue generating programs **will promote visitation and programs**,
- 3. With the increase in park visitation, **local communities will benefit** by the added visitation of park visitors,
- 4. Revenue generation **programs will match or exceed service, content, and value** provided to visitors,
- 5. Each revenue program will increase the probability to create a Parks system that has **financial sustainability**,
- 6. DPR will be a **respected organization** for its superior identification, management, and reporting of revenue generation programs,
- 7. Revenue will **stimulate conversations and partnerships** to create better content, more value, and added creativity for the entire Parks system,
- 8. Revenue generation has the potential of **realizing growth of programs** or even the Parks Department.

Anticipated Implementation Challenges

- 1. Determining what revenue generation programs should be kept in-house versus those that can be implemented through partnerships and/or concessions,
- 2. Ensuring sustainability of revenue generation programs and services,
- 3. Acceptance and involvement of all DPR employees in revenue programs for the good of DPR,
- 4. Ensuring visitation is NOT adversely affected,
- 5. Measurement of revenue programs in an integrated platform that provides financial statements,
- 6. A full study and analyzes of the past two years' worth of revenue generation programs,
- 7. Proper revenue program funding given the limited Departmental financial resources,

8. Equitable revenue distribution and sharing in a Departmental statewide basis.

Process

1. People

- Committee members
 - Andy Vasquez (co-chair), Administrative Officer III, Orange Coast District
 - Jared Zucker (co-chair), Associate Governmental Program Analyst, Division of Boating and Waterways
 - Steve McCormick, Special Advisor, Resources Legacy Fund
 - TBD
 - TBD
- Key participants (or participating organizations)
 - TBD

Initial Tasks

This initiative will analyze, select, and implement the enhancement and/or creation of new revenue programs for the department. The implementation of revenue programs may not be achieved by all park units, but those used will succeed for the benefit of the specific program, the park unit, district, and the Department. More importantly, revenue programs are intended for the benefit of park visitors, as such, it is important to work on appropriate messaging for employees to deliver to park visitors. Revamping the department's revenue program will require the following:

- A. Creation of excellent DPR teams that will collaboratively structure how to navigate the various facets of this initiative
- B. Inventory all revenue generation programs in existence at each park unit
- C. What revenue programs are park specific, region specific, or department wide
- D. Determine profitability of each program by analyzing costs and efficiencies needed for more profits.
- E. In cooperation with the modernization committee, find "low hanging" efficiencies that new technologies and/or processes can be incorporated to attain better results
- F. Assess what programs could easily be implemented at other park units
- G. Determine available Funding and logistics for implementation of revenue programs
- H. A rigorous assessment of park services offered and desired (market analysis)
- I. Utilization of expert partners to:
 - a. Identify areas of potential revenue enhancement via marketing
 - b. Develop a marketing plan that includes measureable results
 - c. Include utilization of currently available information data bases
- J. Determine funding available to decide level of implementation of Marketing Plan

- a. Hire outside skilled consultants and managers, working with a Transformation Team Planning and Innovation Committee.

Anticipated Deliverable(s)